

Ariel Fund Separate Account

Benchmark

Russell 2500 Value TR USD

Overall Morningstar Rating™

Out of 421 Mid-Cap Value Investments. A fund's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

Morningstar Return

Morningstar Risk

Investment Information

Investment Objective & Strategy

The Ariel Small/Mid Cap Value Product seeks long-term capital appreciation by investing in small/medium-sized undervalued companies in consistent industries that show strong potential for growth. We look for issuers that provide quality products or services.

To capture anticipated growth, the Ariel Small/Mid Cap Value Product generally holds investments for a relatively long period, generally five years. Our small/mid cap strategy invests in companies with market capitalizations primarily from \$1 billion to \$7.5 billion.

Fees and Expenses as of 12-31-13

Expense Ratio	0.56%
Total Annual Operating Exp per \$1000	\$5.60
Maximum Sales Charge	—
12b-1 Fee	—
Redemption Fee/Term	—

Portfolio Manager(s)

John W. Rogers, Jr. A.B., Princeton University, 1980.

Operations and Management

Inception Date	01-02-13
Management Company	Ariel Investments, LLC
Telephone	312-726-0140
Web Site	www.arielinvestments.com
Issuer	Ariel Investments

Category Description: Mid-Cap Value

Some mid-cap value portfolios focus on medium-size companies while others land here because they own a mix of small-, mid-, and large-cap stocks. All look for U.S. stocks that are less expensive or growing more slowly than the market. The U.S. mid-cap range for market capitalization typically falls between \$1 billion and \$8 billion and represents 20% of the total capitalization of the U.S. equity market. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Volatility and Risk

Low	Moderate	High
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Category

Best 3 Month Return

13.26%
(Sep '13 - Nov '13)

Worst 3 Month Return

-2.34%
(Jul '14 - Sep '14)

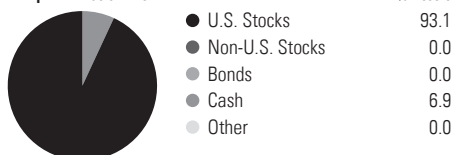
Performance as of 12-31-14

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Total Return% as of 12-31-14
12.85	12.85	—	—	—	25.02	Investment Return %
7.11	7.11	—	—	—	18.05	Benchmark Return %
9.31	9.31	—	—	—	20.17	Category Average %

The performance data quoted reflects past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower than the performance data quoted. For the most recent month end performance information, please call 1-800-922-9945, or visit rps.troweprice.com.

Portfolio Analysis

Composition as of 12-31-14



Morningstar Equity Style Box™ as of 12-31-14

Value	Blend	Growth	Market Cap
			Giant 0.00
			Large 3.62
			Medium 51.21
			Small 40.60
			Micro 4.57

Top 10 Holdings as of 12-31-14

Company	% Assets
Janus Capital Group Inc	3.81
First American Financial Corp	3.76
Western Union Co	3.72
Lazard Ltd	3.59
Gannett Co Inc	3.37
Royal Caribbean Cruises Ltd	3.37
Brady Corp Class A	3.36
Jones Lang LaSalle Inc	3.32
JM Smucker Co	3.29
CBRE Group Inc	3.23

Total Number of Stock Holdings	37
Total Number of Bond Holdings	0
Turnover Ratio %	25.11
Total Assets (\$mil)	176.02

Morningstar Equity Sectors as of 12-31-14

Sector	% Fund
Cyclical	50.12
Basic Materials	0.00
Consumer Cyclical	25.04
Financial Services	18.04
Real Estate	7.04
Sensitive	29.09
Communication Services	0.00
Energy	5.18
Industrials	19.42
Technology	4.49
Defensive	20.78
Consumer Defensive	9.34
Healthcare	11.44
Utilities	0.00

Principal Risks For more information on the risks presented, please refer to <http://rps.troweprice.com/riskglossary>

Long-Term Outlook and Projections, Loss of Money, Not FDIC Insured, Capitalization, Value Investing, Active Management, Market/Market Volatility, Equity Securities, Industry and Sector Investing, IPO, U.S. Federal Tax Treatment, Suitability, Management, Portfolio Diversification, Tax Risk, Small Cap, Mid-Cap, Financials Sector